

Dear Deputy Morel

Thank you for your letter of 14 July and for inviting Jersey Finance to contribute to your interim report as part of the wider Response & Recovery Review that will be completed by Scrutiny towards the end of the year. As requested, we have limited ourselves to an overarching view on the government's response to the crisis from March to July, particularly focusing on the timings of the government response, support packages made available to employers and employees, and key milestones. The collated comments below come from the trade body heads representing the accountancy, trusts, banking, funds and law sectors.

It may be helpful to contextualise the industry position coming into the crisis. It is a JFSC requirement that regulated entities have in place a Business Continuity Plan to deal with major incidents which render their principal place of work inaccessible. In addition many firms have invested heavily in technology to facilitate more 'working from home' (WFH). Because of the international nature of much of our business many firms have developed great 'portable' systems to maximise the efficiency of their teams as they travel. These factors combined to ensure that the industry was very resilient during the crisis continuing to support clients globally. There were of course a small number of firms who may not have been as well prepared as others and few plans would have anticipated the extent of the lockdown which transpired but the key preparations, coupled with good leadership, excellent staff commitment and the islands infrastructure ensured the industry remains in a strong position.

Timings of the government (and ALO) responses

- Although there was initially apprehension about the timing of lockdown, this seems to have been about right. Alternatively, if the borders had shut more quickly, it possibly could have allowed the local economy to have continued to operate although that is by no means certain. On balance the timing was viewed as appropriate
- Jersey Business, the JFSC and Jersey Finance were extremely pro-active in getting information and regular updates out to those in the finance industry
- Co-operation between JFSC, government and industry was very helpful especially in the early days of working from home
- The government announcements broadcast by social media were extremely useful, as were printed guidance/social media around home support/wellbeing
- Whilst there was a perception that the government's PR/communications could at times have been stronger, the overriding industry view was that it was better to "get the PR wrong and the actions/execution right", rather than vice versa, and this was achieved
- Initial vital supplies were affected and more recently the stevedores' action in St Malo is having an impact on goods imported via Europe

Support packages made available to employers and employees

- Our own member firms were not covered by the government payroll scheme, so we are not able to comment in detail, although the trade heads noted that smaller business owners not represented by – nor a member of – an industry body did find it harder to get in-depth details quickly of support packages, particularly around assisted lending and reimbursement of the wages co-funding (which could be difficult if they did not have spare cash flow to pay the wages first)
- Recognising the constraints on government in offering support, the trade heads felt that the government rightly targeted provisions towards those most in need, and that the government did a good job in this respect. The industry recognised that politicians and civil servants, dealing with tax payers money, were under considerable pressure to take action quickly whilst at the same time aware that all decisions would be reviewed in due course with the benefit of hindsight
- The government worked well with the clearing banks to introduce a guarantee scheme to support small businesses. The banking sector has responded with considerable forbearance measures introduced for both business and personal clients affected by the crisis
- The Jersey Telecoms extension of broadband was extremely helpful

Key milestones (e.g. border opening)

- Current system of all monitoring of borders, testing and isolation seems to be working well.

It should be noted that as well as continuing to contribute to government income through staff payroll taxes and social security contributions, a number of tax paying finance businesses agreed with Revenue Jersey to pay taxes in advance, to assist government cash flow. In addition the industry has 'stepped up' to support the island through volunteering to assist Jersey Business/SMEs and local charities as well as through financial donations to the Bailiff's Fund and other local charities.

We hope this will be of assistance to the Economic and International Affairs Scrutiny Panel in formulating your interim report and key findings. However, if you or the Panel would like to discuss anything in more detail, I would of course be happy to assist.

Kind regards
Joe Moynihan
Chief Executive Officer
Jersey Finance